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THE INVESTOR

HOME LOAN CHECKLIST GUIDE

With interest rates on the rise, many homeowners are re-accessing their current loan/s to source a better deal, or they are changing the structure of the loan to reduce their monthly repayments.

When choosing a home loan, the easiest way you can make a wrong decision is by not knowing all your options and not asking enough questions.

Listed below is a guide to some questions that you should be asking your lender before refinancing:

- Am I being offered the most competitive rate in the market?
- What are all the additional fees associated with the loan?
- Are there exit penalties should I want to change the loan?
- Can I make extra repayments at any time without any penalties?
- Can I have a redraw facility or line of credit attached to the loan?
- Are there costs associated with a redraw facility or line of credit?
- How is my interest calculated?
- How often can I make repayments?
- If I am ahead in repayments, can I pause my regular payments?
- Do early repayment fees apply?
- How are repayments calculated?
- When is interest charged?
- What happens to the loan at the end of the fixed term?
- What are the exist fees or switching costs?
- If I am late with my repayment, is there a penalty?
- What would my repayments be if the interest rate increased by 2-5%?



EMERGENCY REPAIRS TAKE ACTION AND BE IN CONTROL

Property investors need to know that a renter can arrange for a suitably qualified person to make *emergency repairs* to a rental property:

- (1) if they are unable to notify the managing agent or nominated repairer of the need for emergency repairs or
- (2) if they have given notice that emergency repairs are needed, but they are not made within a reasonable time by the rental provider or agent.

What is an emergency repair?

- A blocked water service.
- A blocked or broken lavatory system.
- A serious roof leak.
- A gas leak.
- A dangerous electrical fault.
- Flooding or serious flood damage.
- Serious storm, fire or impact damage.
- Failure or breakdown of the gas, electricity, or water supply to premises.
- A failure or breakdown of an essential service or appliance on premises for hot water, cooking or heating.
- A fault or damage that makes the premises unsafe or insecure.
- A fault or damage that is likely to injure a person, damage the property or unduly inconvenience a resident of the premises.
- A serious fault in a staircase, lift or another common area of the premises that unduly inconveniences a resident in gaining access to or using the premises.

You can be assured that when a renter moves into a property, we clearly advise them that in case of an emergency, they are to contact our agency first and, if it is out of office hours, they are to contact the listed nominated repairers outlined within the Tenancy Agreement.

Therefore, if our agency contacts you regarding an emergency repair, it is important to take swift action to attend to the maintenance request so that we can make the decision regarding the repairs and not the renter.

P.T.O.

RENT INCREASES DURING CHALLENGING TIMES

We are currently going through one of the most challenging property market conditions in more than two decades.

Property investors are navigating ongoing inflated interest rate rises, the need for affordable rental properties is increasing, and renters are therefore facing rental increases where they are struggling to pay weekly rents without the offset of increased wages.

Both rental providers and renters are being affected by the elevated market conditions.

As a managing agent, we are responsible for working with and understanding the financial pressures placed on both parties that are out of everyone's control. We understand that property investors need to increase weekly rents to sustain the rise in owning an investment property/s; however, we also need to show compassion to renters during the rental increase process.

The best way to manage rental increases during challenging times is to focus on the facts (while showing compassion) and communicate in our renter rental increase notices what we look at when carrying out a rent increase, such as:

- Current market rental prices with the inclusion of similar property rents.
- Supply and demand of renters versus properties.
- Interest rate increases.
- Council rate increases.
- Increase in the supply of goods and services.
- CPI increases.
- Date of the last rental increase.
- Maintenance or renovations that have been undertaken or requested.
- Renter feedback during the negotiation process.

As you can appreciate, rental increases are controlled by the supply and demand of renters and properties. If more rental properties are available compared to renters, then increasing rents may not be justified. However, if there is a shortage of rental properties, then rents will generally rise. Stating the facts (as per the above) will demonstrate to renters that the rental increase is in line with market conditions and not an arbitrary personal decision.

When managing rental increases on your behalf, we must balance the emotions and reactions of the renter while also maximising your income.

When negotiating rents with renters, we may also need to consider accommodating the renter's recent request for improvements or renovations to the property or negotiate on the initial increase to find a happy medium.

In some situations, it may not be worth losing a quality renter for an extra \$25.00 per week to attract an unknown renter or if there could be a possible vacancy period of a couple of weeks.

During the rental increase process, our agency will discuss your financial situation and the current market rents with you before negotiating with the renter.

Many are facing financial hardship now, and our focus is to work towards a win/win

SELLING A PROPERTY THAT IS TENANTED

Are you thinking about selling your tenanted investment property?

When selling a tenanted property, it is important to carefully manage the communication process with the renter/s as they can often feel unsettled that their privacy and quiet enjoyment have been affected. Engaging your managing agent to sell the tenanted property will significantly assist with the sale process, as we have a relationship with the renter and will be able to negotiate inspections and open houses on your behalf more effectively.

THOUGHT-PROVOKING TIP: If you are looking for a quick sale, consider offering the renter a financial reward upon the successful sale. Offering the renter an incentive can encourage them to be more accommodating with inspections and make the extra effort to present the property well. Being considerate of the renter's needs during the sale process can positively impact a speedy sale.

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